

LAKEFRONT DEVELOPMENT ADVISORY COMMISSION

Report on Recommendation of Lakefront Development Advisory Commission on Proposal to berth USS Des Moines on Lakefront

The Recommendation. At its February 9th, 2005 meeting the Lakefront Development Advisory Commission passed by an unanimous vote of its voting members present a resolution recommending against approval of the proposal of the Milwaukee-USS Des Moines Historic Naval Ship Project, Inc. to berth the U.S.S. Des Moines at a proposed site along the seawall of Milwaukee County's Lakeshore parkland north and east of the War Memorial Center.

EXECUTIVE SUMMARY:

As is discussed more fully in the report that follows the Lakefront Development Advisory Commission concludes:

- 1. The USS Des Moines Project does not conform to current laws and regulations nor does it respect adopted plans. A project that does not conform to these requirements may not be approved.**
 - a. The Commission agrees with the City of Milwaukee and the Milwaukee County Parks Department that the Project does not conform to the "Plan for Milwaukee's Lakefront" adopted by the County and the City in 1994. The Project does not conform to the lakefront accessibility, the parkland preservation and enhancement, and the development and land use restrictions of the Plan. The Plan does not permit a museum in the parkland north of the War Memorial Center.
 - b. The Project does not conform to "The Plan for the Phased Development of McKinley Marina, McKinley Park and Veterans Park" adopted by the County in 2000. The Project is inconsistent with the Plan's land use provisions.
 - c. The Project does not conform to the Wisconsin Constitution's Public Trust Doctrine and the applicable lakebed grant. Public bodies will not control the Project. It will be a memorial, a museum and a meeting and event venue for hire. Primary uses of the Ship are not public trust uses. It will not be used for "park, recreational and marina and other related purposes". The site is one of great natural scenic beauty. The Project would change the character of the area to one that includes

large-scale manmade development. The Project will eliminate over 1,000 feet of access to the water's edge.

2. The Project will not encourage active and passive recreation and is inconsistent with existing uses.

The Project will not encourage water-related recreation, and it will compete for space now used for organized or unorganized recreational activities or non-activities. Families who can afford to pay to tour the Ship will take the parking spots of families who want to picnic or fly their kite, but cannot afford to tour the Ship. (The lowest fee for a family of four is \$25.) The Project proposes using the site for a museum/tourist attraction and as a venue for overnights for youth groups, for family, military group and general reunions, birthday parties, weddings, catered events, and corporate meetings, as a place for educational activities such as school field trips, youth classes and guest lectures, as a meeting space for local military organizations, and as a venue for training activities for active duty and local reserve naval personnel. These commercial, intensive uses are inconsistent with current use of the area. Now the area is open, parkland, used for water-related recreation and organized and unorganized recreational activities and for non-activities. The Project will restrict access for water-related recreation, interfere with sailing and kite flying, require relocation of approximately 1,000 feet of the Harborside Promenade away from the harbor's edge and deprive other users of parking in the area. Adding vehicular traffic to the harbor's edge will conflict with recreational use of the Harborside Promenade and of the pathways leading to the nearest parking lot.

3. The Project will not preserve and protect the scenic and natural beauty of the lakefront.

The USS Des Moines is very large. It is 716 feet long and 76 feet wide. When loaded its main deck is 26' above the water line. At the proposed berthing site the highest point on the ship, an antenna, would be 125 feet above the seawall. The ship's stack would be 70 feet, the bow 17.5 feet and the stern 15.5 feet above the seawall. When in service the ship was home to 1,500 officers and men.

The berthing of the Ship will block part of the view of the Lake for any viewer on land who is located between the Ship and the Lake and looking in the direction of the Lake. It will also block part of the view of the land for any viewer on the water where the Ship is between the viewer and the land and the viewer is looking toward the land. The Project, however, will also alter views and site lines in a much more significant respect. The Ship is radically larger and different in character from the relatively flat, open, undeveloped parkland and water around the site. The Ship would be a dominating element of views

for a mile or more in all directions. Placing such a high visibility manmade structure in the midst of scenic parkland and water fundamentally alters the natural and scenic beauty of the lakefront. Now panoramic views of the parkland and of the Lake can be seen from hundreds of acres of land both below the bluffs to the west of Lincoln Memorial Drive and from the parks, streets and apartment buildings and houses on the bluff. The parkland is the foreground of views of the City from the water. Berthing the Ship at the proposed location will interrupt these panoramic vistas. They will no longer be panoramic.

The Project will require significant additions to surface parking to succeed. The parking needed will significantly exceed the Project's projection of 153 spaces on summer weekends. The Project's parking needs will fill every space (108) in the heavily used parking lot nearest the berthing site. Other parking is distant and also heavily used. Reliance on shuttles from remote areas is unrealistic and will significantly reduce ship attendance for visitors or groups renting the ship for weddings and other events.

4. The Project will reduce access throughout the lakefront and especially to the water's edge.

The berthing of the ship, its mooring, security and safety measures, and dedication of the site to the Project's specified uses will deprive the public of access to the water's edge for approximately 1,000 feet of lakeshore. Access to the parkland for recreation purposes will also be reduced because of the berthing and mooring site, because of increased vehicular traffic on roadways and because much more parking will be necessary. The need for parking generated by the Project will limit parking available to persons seeking access to the park for all other activities. The Project will require relocation of approximately 1,000 feet of the pedestrian and bike way now along the water's edge away from the water's edge.

The Ship will not be accessible to all socio-economic groups. With the exception of uniformed active duty servicepersons, individuals and members of groups will be required to pay fees ranging from a low of \$4.50 to \$10. The Ship will also host overnights for youth for a \$35 per person fee. The areas of the Ship available to the public will be limited because lead, asbestos, PCB and other hazard containment/abatement measures will be undertaken for the public access areas only and because corporate and other events will be limited to those who are invitees. At the outset, access by disabled persons will be limited to exterior main deck areas, a restroom and an enclosed space just off the main deck in case of inclement weather. The cafeteria and catered food service will only be available to those who pay admission to the Ship or are invited to events. Changing rooms, showers and lockers will only be available to the groups that arrange and pay for an overnight stay.

5. Allocation of the unique opportunities of our limited lakefront parkland for the Project is not justified.

- a. The Project is related to US Naval service, not to Great Lakes history.
- b. The intense commercial use of the site is inconsistent with the traditional open space and recreational role of our lakefront parkland.
- c. Much of what the Project intends for uses can be located elsewhere. A naval veterans memorial and museum need not be a heavy cruiser located at the lakefront. Facilities for meetings, events, etc. need not be at the lakefront. It might be possible to locate the Ship at a site that is not lakefront parkland.
- d. Expansion by adding ships, planes, tanks or other memorials and attractions at the site is not appropriate for the same reasons that the site is not appropriate. This will limit the Projects ability to succeed.
- e. The Project would contribute significantly to the density of development of the lakefront and the harbor. By introducing a large manmade structure and tourist attraction the Project would change the character of the parkland and harbor. This would restrict the capacity for approving other projects or expansion of existing projects. New projects would be restricted to those that are compatible with the changed character of the parkland and harbor.
- f. The Commission has serious doubts about the viability of the Project and its business plan. Revenue and attendance projections are greatly overstated and expense projections understated. The plan understates the need for paid staff and relies heavily on volunteers. Many other similar ship museums are losing money even when they have large government subsidies. In this case the Project faces more than just the usual challenges when seeking government and private grants and donations. Of the communications received by the Commission, those opposing the Project and its lakefront site, 1,296, outnumbered those in support, 57, by a better than 20 to one margin. The plan relies on grants and donations not only for the over \$18 million in the initial costs of bringing the Ship here, but also for a high percentage of yearly revenues after the Project is operating. The Project's current resources are a very small percentage of what it will need to raise. (Dec. 31, 2004 assets, \$37,240). Because this is the first and only Project of the sponsoring group, assessment of the ability of the Project to raise the funds and operate the project successfully during the coming decades is uncertain.

- g. The likelihood that the Project will require future public investment is high. Although the Project has a goal of raising the funds it needs and operating the project without local public investment, uncertainty respecting the Project's viability and its business plan greatly increases the probability City and/or County funds will be required for the project to succeed.

THE REPORT

The Commission's purpose. The Lakefront Development Advisory Commission's purpose is to apply the criteria that have been approved by Milwaukee County and the City of Milwaukee and make nonbinding recommendations to the County, City and/or the State respecting whether a development proposal for the Lakefront should be approved. In order to accommodate consideration of its recommendations, the Commission is to issue a report that provides the basis for its recommendation. Such a report should include the Commission's understanding of the facts and record the vote of each member on the recommendation.

Commission consideration of the proposal. The Commission began consideration of the proposal at the Commission's first meeting on Nov. 18, 2004. The meeting was chaired by interim Commission Chair, County Supervisor, Lynne De Bruin. The Commission gave the proposal expedited consideration. It did so because Milwaukee County had received the proposal many months before the formation of LDAC, and the County and the Project expressed a need for the Project to report to the US Navy about whether the Project had secured a site by early May of 2005. At the meeting, the Commission considered the Project for approximately 1 and ¼ hour. The Project made a power point presentation to the Commission and responded to questions about it after comment from members of the public. The Project submitted its more than 50 page business plan as its application document. The Commission scheduled a public hearing for the evening of Jan. 19th, 2005, and a meeting for the Commission to consider it for Feb. 9, 2005. The Commission sought public comment on the matter of berthing the USS Des Moines at the proposed site on the Lakefront.

The Commission conducted a public hearing exclusively on the USS Des Moines proposal on the evening of Jan. 19th, 2005. The hearing was chaired by interim Commission Chair, County Supervisor, Lynne De Bruin. Approximately 900 people came to the hearing. The public attendance was so great that enforcement of the fire code limitations at the Downtown Transit Center resulted in having to turn away a large number of citizens. The Project made a presentation that was followed by an opposition power point/ slide presentation by the Save Our Lakefront Coalition. A response by the Project and then testimony alternately by supporters and opponents followed. Prior to and at the hearing members of the public and organizations submitted written comments to the Commission. Hundreds registered at the hearing. Six hundred and ninety-six (696) individuals and organizations indicated opposition to locating the ship at the requested

lakefront site. Fifty (50) registered their support. Nine (9) registered at the hearing for information purposes only. The Commission also received many additional communications about this proposal, including much e-mail. The final count is fifty-seven (57) in favor, one thousand two hundred ninety-six (1,296) opposed and nine (9) neutral. After the hearing and consideration of the very extensive written information submitted to it the Commission compiled a list of questions for the Project. The Project responded with a 41 page written report to the Commission on Feb. 9, 2005.

At its meeting on the evening of February 9th the Commission considered and discussed all the communications it had then received, presented several follow up questions to the Project and its consultant, and adopted a motion recommending against locating the Ship at the proposed site. Of the fifteen Commissioners with voting rights, fourteen were able to be present and vote. The Commissioners with voting rights who supported the motion recommending against berthing the USS Des Moines at the proposed site were Will Allen, Sue Black, Ellen Brostrom, Joe Davis, Lynne De Bruin, Lauri Gorton, William Lynch, Rocky Marcoux, Kurt Mihelich, Katie Pritchard, John Roethle, Robert Spindell, Daniel Steininger, and Ralph Voltner. In addition Rep. Jon Richards, an ex officio member of the Commission, indicated that he agreed with the Commission's recommendation. The Acting Port Director of Milwaukee, Eric Reinelt, also indicated his concurrence.

INTRODUCTION

The Commission wishes to thank the proposers of the project and the public for the very extensive and helpful information and testimony it has received on this matter. This report will not include all of this valuable information. This report attempts to include the information the Commission considers to be most significant to its recommendation. The role of the Commission is to apply the criteria for new development on Milwaukee's lakeshore and formulate a recommendation on whether the project should be approved for the requested lakefront site. While the proposed project raises many issues that might be of significance to deciding other matters related to it, this report only addresses issues relevant to its criteria for making a recommendation respecting the proposed lakefront location for the ship.

THE PROPOSAL: The USS Des Moines Project, a private nonprofit organization, proposed to Milwaukee County and its Park's Department that the Project be permitted to permanently berth a decommissioned US Naval ship, the heavy cruiser USS Des Moines, along the shore of Veteran's Park. The Project seeks a 99-year, \$1 per year lease of approximately one acre of the parkland adjacent to the proposed berthing site.

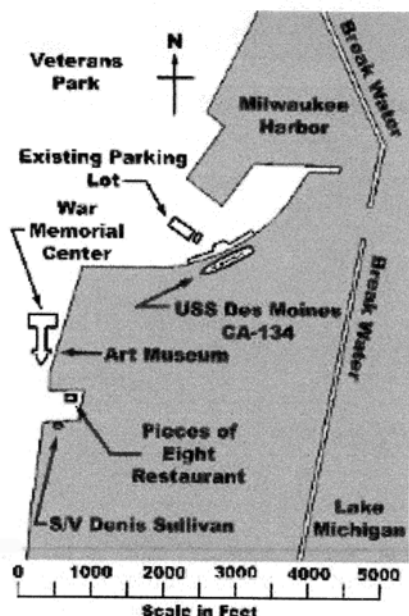
Site changes. The Commission requested a site plan from the project. Although the project has not provided a site plan specifying the dimensions and location of the land it seeks to lease, it has indicated it will need about 1,000 feet of shoreline. The Project proposes to install 12 mooring bitts along the pier head, each of which weighs 250 tons and to secure the ship to them. They propose to construct two, twenty-foot tall 20' by 20' structures to house elevators and stairwells to bring people to a fore and an aft gangway

to provide access to the ship. (At the same time the Project continues to take the position that no buildings will be built on the site). The Project may utilize a shore side steam generator for the ship's heating system. The Project may display the ship's two propellers on the site. The Project proposes a fence surrounding the berthing site to define the site's boundaries and for security purposes. The Project proposes relocating the Harbor's Edge Promenade several yards away from the harbor's edge at the berthing site at the Project's expense. A pier side drop-off may be needed.

Lighting and signage. The Project proposes to install deck lighting on the main deck and boarding gangways to facilitate safe transit of the deck at night until closing and two small red aircraft warning lights on the ship's topside hamper if required. The Project proposes operating the ship 365 days a year and closing at 10 p.m., except for closing earlier from November through March and on winter holidays. The Project proposes two adequately sized signs, one from each direction along Lincoln Memorial Drive and other minor signage that could be incorporated into the boarding elevators/stairs leading to the ship.

Contingencies. While the Project seeks a firm, enforceable commitment to berthing the Ship at the proposed site, they propose that the lease be contingent on the Project raising the funds required for it and securing all governmental approvals. The Project seeks five years to meet these contingencies. The project proposes to raise at least \$18,000,000 by Jan. 1, 2007. The required funds include a return cost contingency fund of \$2,788,000 for removing the ship from the site at no cost to the federal government.

The Ship. The USS Des Moines, now berthed in Philadelphia, is 716 feet long. Its maximum width is 76'. When loaded, its main deck is 26' above the water line. It displaces 21,000 tons. It made its maiden voyage in February of 1949 and has been out of service since 1961. At the proposed berthing site the highest point on the ship, an antenna, would be 125 feet above the seawall. The ship's stack would be 70 feet, the bow 17.5 feet and the stern 15.5 feet above the seawall. When in service the ship was home to 1,500 officers and men.



Site Plan at Veterans Park

The proposed site. The Project proposes berthing the ship along the seawall of the peninsula of filled lakebed parkland north of the War Memorial Center and east of Lincoln Memorial Drive. The more than 200 acres of the peninsula jut out into Lake Michigan. At its base is Lincoln Memorial Drive. It extends from just north of the War Memorial Center where the Vietnam Veterans Memorial is located to where the 1888 Flushing Tunnel approaches Lincoln Memorial Drive across Lincoln Memorial Drive from the Alterra Coffee Shop. Near Lincoln Memorial Drive and parallel to it is an approximately $\frac{3}{4}$ mile long lagoon. The

most distant point on the peninsula is approximately ½ mile from Lincoln Memorial Drive. Along the edge of the peninsula is the Harbor's Edge Promenade. The proposed site is approximately ½ mile from the Milwaukee Art Museum. At the proposed site, the Harbor's Edge Promenade is an approximately 16 foot wide asphalt paved pedestrian, roller blade and bike path approximately 10 feet from the steel sheet pile bulkhead wall. Presently Lake Michigan is approximately 12 feet below the filled land. Occasionally parks maintenance and police vehicles use the Promenade, but no other vehicles have access to it. The Harbor's Edge Promenade is continuous along the harbor's edge throughout the peninsula except for the Milwaukee Community Sailing Center's 2.1-acre site. Also between the former Coast Guard Station and the Lake the pedestrian bridge is now closed for safety reasons. The approximately 200 acres has very few buildings on it. The largest is the former Coast Guard Station, a 2 and ½ story, 5,000 square foot structure. There are one-story laundry and restroom buildings at the center and south sections of the McKinley Marina. The Milwaukee Community Sailing Center has a small one-story office building and a three-car garage. The structure nearest to the proposed berthing site is a 1,000 sq. ft. one-story public restroom/open-air picnic shelter to the east of the parking lot nearest to the proposed site. The nearest parking space in this 108-space lot is a bit more than 100 yards from the closest point of the proposed berthing site. The restrooms are closed in the winter. There is also a cluster of three small, temporary buildings used by vendors for renting kites, roller blades and other such equipment on the west edge of the parking lot nearest the proposed berthing site. Otherwise there are no other buildings on the peninsula.

The site is filled lakebed. The State granted it to Milwaukee County in 1963 "to be used for park, recreational and marina and other related purposes."

Parking. The Project estimates that when attendance reaches 150,000 visitors annually, it will need 153 parking spaces on weekends from May through August. Parking will be needed for employees, volunteers, ship visitors and those who attend weddings, parties, corporate events, etc., on the ship. The closest existing parking is in a lot one hundred yards from pier side with 108 spaces. The County leases the lot to UWM for student parking. When the University is in session students occupy more than ¾ of the spaces. It provides parking for families using the picnic shelter at the east end of the lot between the parking lot and the berthing site. It also provides parking for kite flyers, rollerbladers and other park users who bring their own equipment or rent equipment from the concessions at the west end of the parking lot. Approximately ¼ mile from the berthing site there is a 203 space lot which serves the over 300 tenants of the South Section of McKinley Marina. During the summer months, however, it is only available to slip tenants who have card access to it. Also approximately ¼ mile away there is a 93 spot parking lot at the Milwaukee Community Sailing Center. It serves the employees and participants in the Center's sailing activities. There is some parking along Lagoon Drive. There is no parking on the north side of the Drive. Parking is permitted only on the approximately 3/10 mile of the south side of the drive starting approximately 1/10 of a mile from the intersection with Lincoln Memorial Drive and ending at the west end of the parking lot nearest the berthing site. Students also park in these spaces. The McKinley Marina Center Section Parking Lot is more than ½ mile from the proposed site. It also is leased to

provide parking for UWM students. During the summer months more than 3/4 of its spaces are reserved for slip renters, who are issued cards to obtain access. The public section of the lot has approximately 84 spaces. This is the parking closest to the former Coast Guard station. The County has leased the former station for renovation and expansion as an Indian Cultural Center. The Project proposes that the County restrict UWM student parking to lots other than the lot nearest the berthing site. Students already use the marina lots farther away in the Park. The Project proposes that the government set up a shuttle bus service to bring customers to the Ship, but takes the position that shuttle bus service is not a requirement for the Project's success. The Project also proposes that, if necessary, it could provide shuttle service between the O'Donnell Parking structure or other nearby parking lots, such as those near the Summerfest grounds, at its expense.

Access to the ship. Except for uniformed active duty military personnel, the Project will charge fees ranging from a low of \$4.50 for a child for an unguided tour to \$10 for an adult for a guided tour. Group rates for guided tours will be \$5 for each child and \$8 for each adult. The areas of the Ship available to the public will be limited. Lead, asbestos, PCB and other hazard containment/abatement measures will be undertaken for the public access areas only. Corporate membership will entitle the corporation to host from one to four corporate functions each year. The Ship's facilities will also be rented for birthday parties, catered events, corporate meetings, weddings, family reunions and other such events. The Ship will also host overnights for youth for a \$35 per person fee. The Ship's facilities used for these activities will be limited to those who are invited to participate in them.

Vehicular access. Road access from the nearest parking lot or Lagoon Drive may be needed and a drop-off and turnaround constructed. Depending on the size of deliveries, the Project proposes that the delivery could be brought pier side. Although there will be a cafeteria operating on the ship, meals for events, overnight stays, etc., will be catered. The Project proposes to transfer catering deliveries to small delivery, flatbed/covered battery/propane powered carts from the off-load site. The one-lane roadway which extends the approximately 250 feet to the harbor's edge from where Lagoon Drive turns north to the Milwaukee Community Sailing Center is not used by vehicles unless they are authorized. Because there is no development along the Harbor's edge, park and emergency vehicles very infrequently travel on this roadway or on the Harborside promenade.

Harbor changes. The berthing site is within the harbor of refuge created by the federal breakwater. The project proposes at its expense to dredge a 200 feet wide channel to a 25-foot depth between the entrance to the harbor and the proposed berthing site. At the berthing site the harbor would be dredged to 35 feet for 750 feet x 200 feet wide. Because the ship must be secured to withstand the 100-year storm and especially because storms from the northeast will affect the proposed berthing site, the Ship will require means for wave deflection. This may mean that a breakwater will have to be constructed in the harbor of refuge at the Project's expense. The Project estimates the cost associated with sediment dredging and disposal to be over \$3.2 million and \$1,250,000 for the

breakwater. The Project assumes that a disposal facility will be available for the dredge spoils and that all associated permits will be approved.

Ship Activities. The Ship will be a memorial to veterans and a tourist attraction. It will provide Ship tours and museum artifact viewing. It will be a venue for overnights for youth groups, for family, military group and general reunions, birthday parties, weddings, catered events, and corporate meetings. It will also be a place for educational activities such as school field trips, youth classes and guest lectures. It will also provide meeting space for local military organizations. It may also be a venue for training activities for active duty and local reserve naval personnel, possibly for pay.

Consideration of Criteria:

Information is adequate for making decision. The Commission recognizes that not all possible questions about this project have been nor can they be answered at this early stage of the project's development. The Commission believes, however, that the information it has received from the Project and from the public and the Commission's own investigation is more than adequate as a basis for reaching a conclusion respecting the appropriateness of this Project for the requested lakefront site.

Recommendation: The Commission concludes that the proposal to berth the USS Des Moines at the proposed location and to lease approximately one acre of County parkland fails to meet the criteria for new lakeshore development that the Milwaukee County Board and the Milwaukee Common Council have directed the Commission to apply. Taken as a whole, the Project is not an appropriate one for the proposed site.

Principle 1: Conform to current laws and regulations and respect adopted plans.

Milwaukee County's position that Project does not conform to planning documents. In a letter dated February 9, 2005 the Milwaukee County Parks System provided the Commission with its opinion on locating the USS Des Moines in Veterans Park. The letter includes the following: "The planning documents guiding the use of Veterans Park recommend expanding public access to the water's edge and maintaining current passive recreational uses to the fullest extent possible. With the information provided to date, the USS Des Moines proposal does not appear to be consistent with these approved planning documents."

City's position that the Project does not conform to "A Plan for Milwaukee's Lakefront". The City of Milwaukee submitted its position to the Commission in a letter dated Feb. 9, 2005. It is the City's position "that the proposed location would not be consistent with the official Milwaukee Lakefront Plan."

The project does not conform to "A Plan for Milwaukee's Lakefront." The Commission concludes that the Project does not conform to the Plan for Milwaukee's Lakefront that was adopted by Milwaukee County and the City of Milwaukee in 1994. For the reasons that follow, The Commission agrees with the position of both the City of

Milwaukee and Milwaukee County that berthing the USS Des Moines at the proposed location would not be consistent with the official Milwaukee Lakefront Plan. A proposed project that fails to conform to the Plan may not go forward.

A. Accessibility to the lakefront. The Project does not conform to the Plan's policy that public access to and through the lakefront parklands be maximized. The Plan provides for the extension of a continuous, coordinated network of pedestrian pathways throughout the lakefront parklands, especially along the water's edge. The Project will require relocation of approximately 1,000 feet of the pedestrian and bike way now along the water's edge away from the water's edge. The Plan requires that development ensure that any physical changes in the lakefront parklands enhance appreciation of, and access to, the water's edge. The berthing of the ship, its mooring, security and safety measures, and dedication of the site to the Project's specified uses will deprive the public of access to the water's edge for approximately 1,000 feet of lakeshore. Access to the parkland for recreation purposes will also be reduced because of the berthing and mooring site, because of increased vehicular traffic on roadways and because additional parking will be necessary to accommodate the Project, its employees, visitor, volunteers and suppliers. The Commission's conclusions respecting expansion of vehicular traffic on roadways and additional parking are discussed at pps. 15, 18-19, of this report. See also the discussion of lakefront access at pps. 19-20.

B. Preservation and enhancement of lakefront parklands. The Project does not conform to the Plan's policy to preserve and enhance the lakefront parklands as a unique recreational resource. The Plan provides that development is to enhance outdoor recreational use within 300 feet of the lakeshore and reduce potential conflicts among activities by giving water related recreation priority to the water's edge in the lakefront parklands. The Project is not an outdoor recreational use. The ship and its berthing site will be within 300 feet of the lakeshore but will be in conflict with water related recreation. Fishing will not be possible. The task force that developed the Plan recognized fishing as a desirable lakefront activity. The Project will interfere with sailing. See the discussion on page 14 below. The Plan provides that development must preserve and enhance view corridors to and from the lakefront. The Project will alter and interfere with view corridors. See the discussion of the impact of the Project on scenic views at pps 16-17. The Plan restricts new development and new structures to those needed for maintenance, service, and limited foodservice for persons using the park and recreational facilities. The Project would be a new development with new structures. The Project is not needed for, nor would it be used for, maintenance, service, or limited foodservice for persons using the park and recreational service. The Plan discourages new structures within 150 feet of the water's edge. The Project requires new structures within 150 of the water's edge. The Plan provides for maintaining the area within 60 feet of the shoreline as a continuous pedestrian pathway. This is not an absolute prohibition. While continuing to respect the importance of sightlines and access, the potential benefits of any new structures are to be established based on their own merit. The Project does not merit deviating from the provision maintaining the area within 60 feet of the shoreline as a continuous pedestrian pathway. The Plan recognizes that the surface water within the harbor of refuge created by the Federal breakwater is a unique lake-within-the-lake and

should be preserved by discouraging further land filling except for shoreline protection, piers and docks, and, if there is no other economically and environmentally feasible alternative, a confined disposal facility for dredging in aid of shipping. The Project may require construction of an additional breakwater. The dredging the Project requires will not be in aid of shipping, but will result in spoils which will need a disposal site.

C. Development and land use. The Plan provides that if any new social or cultural facilities, except a maritime museum, are to be located in the lakefront parklands, they should be concentrated in a district surrounding and including the War Memorial/Art Museum, O'Donnell Park and the Downtown Transit Center. It also provides that in order to distribute cultural opportunities throughout the community, other areas should be considered first by any new or proposed museums, cultural or educational facilities that are seeking sites. Museums or other cultural or educational facilities, with the sole exception of a maritime museum and /or schooner replica, should not be located east of Lincoln Memorial Drive. The Project proposes to locate east of Lincoln Memorial Drive in the Northside Parklands north of and outside the district where the Plan might permit a museum west of Lincoln Memorial Drive. The Project does not conform to these land use restrictions. The Plan also provides for continuing and enhancing existing special event and festival sites by providing the space and infrastructure needed for their success. The Project's proposed site is in or near the land used for many years for Maritime Days and the peninsula has been used for staging for the circus parade, for Harley Fest, the July 4th fireworks, and for other special temporary events. The Project will compete for, not enhance, the parking and other infrastructure needed for the success of such activities.

The Project does not conform to “The Plan for the Phased Development of McKinley Marina, McKinley Park and Veterans Park”

Like the Plan for Milwaukee's Lakefront, the McKinley Marina plan, which was adopted in 2000, envisions continuation of open recreational park use of the land where the Project proposes to berth the USS Des Moines. The McKinley Marina Plan provides that public access to the water's edge throughout McKinley Marina, McKinley Park and Veterans Park should be expanded to the fullest extent possible, constrained only by issues of security and public safety. The McKinley Marina Plan envisions the continuation of and expansion of the Harbor Edge Promenade for joggers, runners, roller bladers and families out for a stroll. For the reasons given in response to the Milwaukee Lakefront Plan, the Commission concludes that the Project does not conform to the McKinley Marina Plan.

The Project does not conform to the Public Trust Doctrine and the applicable lakebed grant.

The Public Trust Doctrine. Under the Wisconsin Constitution, Article IX, Section 1, the State of Wisconsin holds all navigable waters in trust for the people of the State of Wisconsin and the nation. The State has an affirmative obligation to assure that public trust lakebed areas, including those that the State authorizes to be filled, are

maintained and used for appropriate public trust uses. The Project proposes mooring the USS Des Moines to lakebed land that the State authorized Milwaukee County to fill. The Project must conform to the public trust doctrine. If it does not, it cannot be located on the site it seeks. Milwaukee County's control over the land is limited under the public trust doctrine. Based on the decisions of the Wisconsin Supreme Court interpreting the public trust doctrine, developments in our lakes and rivers must be "substantially related to navigation and its incidents." This means that development must be connected to commercial navigation or to public recreation associated with the use or enjoyment of the waterway. Recreational uses must be water-related. Water-based recreational activities include sailing, rowing, canoeing, bathing, boating, fishing, hunting, swimming, and skating. The Legislature and the Wisconsin Supreme Court have determined that enjoyment of natural scenic beauty is a protected public right. The courts have recognized that structures can be detrimental to the public interest if they impair natural beauty. The State Supreme Court has held that the cumulative impacts of fills and structures in waters must be considered, noting that: "A little fill here and there may seem to be nothing to become excited about. But one fill, though comparatively inconsequential, may lead to another, and another, and before long a great body of water may be eaten away until it may no longer exist." In addition, when the land to be used is filled lakebed, the public trust doctrine requires that public bodies, devoted to public purposes and open to the public, control the land.

The Commission concludes that the Project does not conform to the public trust doctrine. Public bodies will not control the Project. It will be a commercial, not for profit, venture controlled by a private nonprofit corporation. Except for uniformed active duty servicepersons, access will be restricted to fee paying customers. The ship will be permanently docked. It will not be in navigation, either commercial or recreational. The ship will not be used for water based recreational activities. The uses the Project proposes are not associated with the use or enjoyment of Lake Michigan. It will be a tourist attraction and a veterans' memorial. Many of its uses are activities which can and do occur inland and are not related to the Lake or other waterways, including the following: a venue for overnights for youth groups, for family, military group and general reunions, birthday parties, weddings, catered events, and corporate meetings, a place for educational activities such as school field trips, youth classes and guest lectures, and a meeting space for local military organizations. It may also be a venue for training activities for active duty and local reserve naval personnel, possibly for pay. These uses are not public trust uses. They are primary, not ancillary uses. While the Ship will serve as a museum and have museum displays, the museum and its displays will not be related to Lake Michigan. Treaties prohibit warships such as the USS Des Moines and its sister ships from the Great Lakes. The Project is proposed for a site of great natural scenic beauty. It is an area with a virtually uninterrupted panoramic view of parkland and of Lake Michigan. The Project will change the nature and character of the area from one of natural scenic beauty to a natural scenic area bordered by a large-scale, manmade development. The ship and mooring site will eliminate approximately 1,000 feet of public access to the water's edge. The ship will interfere with the winds and with sailing in the harbor of refuge. If a breakwater is built in the harbor to protect the ship, it will interfere with navigation and add to the area of the lakebed that is filled.

The lakebed land grants. The proposed site is filled lakebed that the State granted to Milwaukee County in 1963 “to be used for park, recreational and marina and other related purposes.” As is indicated above, when the land to be used is filled lakebed, the public trust doctrine requires that the land be controlled by public bodies, devoted to public purposes and open to the public. The restriction to use for park, recreational and marina and other related purposes must also be met. Prior to making extensive improvements to McKinley Marina, the City and County sought legislation clarifying that the County had exclusive jurisdiction over McKinley Marina. In 1998, the Legislature provided that the park, recreational, marina and other related purposes for which the land may be used may include the construction and maintenance of buildings, boat ramps or slips, boat moorings, boat basins, docks, wharves and other structures that provide protection or safety. The Project does not conform to the lakebed land grant restrictions. A project proposed for a lakebed land grant site that does not meet the restrictions on the use of the lakebed land covered by the grant may not be approved. The Project is not for a park, recreational, marina or marina related purpose within the meaning of the applicable lakebed land grant. A marina is a boat basin that offers dockage and other services for small craft. The USS Des Moines will be permanently berthed at the proposed site. It will not be moored in a marina between voyages. It will not be used for park, recreational, marina and other related purposes. See the discussion of the public trust doctrine above.

Other laws and regulations. Respecting zoning, the land is currently part of a public park. Commercial use of the land may require a zoning change. With respect to deed restrictions, see the discussion above of the applicable lakebed land grant. No issues respecting the Aquatic Plant Management Plan for McKinley and Surrounding Areas are presented by this Project. The Commission also recognizes that there may be interfaces with efforts underway as a result of the Great Lakes Legacy Act. Milwaukee Harbor is part of the Milwaukee Estuary Area of Concern due to existing water quality and sediment issues.

Principle 2: Encourage active and passive recreation, consistent with, but not limited to, existing uses.

Goal: Encourage water-related recreational activities including fishing, boating, swimming and windsurfing/sail boarding/surfing.

The Project does not involve water-related recreational activities and will not encourage them. It will reduce harbor side access for fishing and swimming. It will alter the wind patterns for sailing, windsurfing and sail boarding. If an additional breakwater is required in the harbor of refuge, it will be an obstacle for boaters.

Goal: Encourage organized recreational activities, including formally programmed activities and special events.

The Project does encourage organized activities related to visiting the Ship. The number of visitors required to make the Project viable, however, will compete for space currently available for other activities. For example, the Project will require parking that would otherwise be available for organized recreational activities, including both formally programmed activities, such as kite festivals and special events, such as Harleyfest and festivals similar to the Maritime Days, an annual festival that was held near the proposed site for many years.

Goal: Encourage unorganized recreational activities, including (a) Kite flying, (b) Sun bathing, (c) Picnicking, (d) In-line skating, (e) Jogging/running/power walking, (f) Biking, (g) Playground playing, and (h) Tennis.

While the Project would encourage unorganized activities related to visiting the Ship, insufficient parking in the area will mean conflicts between the Ship's employees, volunteers and customers and those wishing to engage in unorganized recreational activities. See the description of parking at pps. 8-9, and the discussion of parking needs at pps.18-19. The parkland adjacent to the proposed berthing site is used for kite flying, including kite festivals. There is a kite rental concession at the west end of the parking lot nearest the berthing site. According to the President of the Kite Society of Wisconsin, Veterans Park has become one of the ten best parks for flying kites in the United States. Because of its size, the Ship will interfere with winds for kite flying and present an obstacle for kite flyers, especially novices. Kite flying near the ship could also present a hazard to people on decks of the Ship. The Project recognizes this and recommends that kite flying be relocated to the north away from the berthing site. At the east end of the nearest parking lot to the berthing site there is an open-air, covered picnic shelter with restrooms. This picnic area is approximately 200 feet from the harbor's edge where the Ship would be moored. The project will increase pedestrian and vehicular traffic in the area. The Ship will block the view of the Harbor from the picnic shelter. Joggers, runners, power walkers, bicycle riders and in-line skaters park in the parking lot nearest to the site, rent equipment if needed from the concessions at the west end of the parking lot, and use the pathways in the area near the berthing site. An especially popular and heavily used pathway is the Harborside Promenade. This promenade is continuous along the harbor's edge from the Municipal pier to the Milwaukee Sailing Club site. It continues uninterrupted until the former Coast Guard Building. The ship will be the only structure between the breakwater and the Lake and will require moving the promenade back from the harbor's edge for approximately 1000 feet. The Project will also increase pedestrian and vehicular traffic in the area. Now vehicles are not permitted on the Harborside promenade or on the roadway and the path connecting the parking lot and Lagoon Drive to the Harborside Promenade, except, very infrequently, park maintenance and public safety vehicles. The Project will increase use of paths and roadways by both vehicles and pedestrians. This will discourage recreational users from the area and present safety hazards. Many sunbathers may not be comfortable sunbathing near the entrance to the Ship.

Goal: Encourage non-activities, including (a) Strolling, (b) Appreciating nature, (c) Moon gazing, (d) Handholding, (e) Writing and studying, (f) Sitting around, (g) Socializing, (h) Contemplating, (i) People watching, and (j) Doing nothing at all.

Changing the use of the area from open parkland to the site of a commercial tourist venture will change its character in a way that will not necessarily encourage non-activities in that part of the park. Non-activities will be affected in many of the same ways as organized and unorganized recreational activities discussed above. The presence and the aesthetics of the Ship will also change the character and feel of that portion of the lakefront, affecting non-activities such as appreciating nature and moon gazing. The increased level of activity in the area will make it less desirable for these non-activities.

Principle 3: Preserve and protect the scenic and natural beauty of the lakefront.

Goal: Assure that any buildings that are built, rehabilitated or replaced are designed to high quality standards.

Although the Project takes the position in its “Presentation”, February 9, 2005, that it does not anticipate erecting any buildings, the Commission considers the two elevator/stair structures the Project proposes building on the site to be buildings. Further, the Ship itself could be considered a “building” or “structure” given its size and the intended permanence of its presence at the lakefront. Because the Project has not supplied the Commission with any information about the two elevator/stair buildings other than their dimensions, 20 feet by 20 feet by 20 feet, the quality of their design cannot yet be evaluated. The Project does not propose to alter the Ship’s design. The photos provided of the type of 250 ton mooring bitts appear to be designed to high quality standards. The Project has not supplied a site plan or drawings that would permit consideration of the design of any other structures.

Goal: Assure that any buildings that are built, rehabilitated or replaced are designed to maintain vistas and site lines of the Lake.

It goes without saying; a viewer cannot look through the Ship. The berthing of the Ship will block part of the view of the Lake for any viewer on land who is located between the Ship and the Lake and looking in the direction of the Lake. It will also block part of the view of the land for any viewer on the water where the Ship is between the viewer and the land and the viewer is looking toward the land. The Project, however, will also alter views and site lines in a much more significant respect. The Ship is radically larger and different in character from the parkland and water around the site. Because of its size and because it will be in dramatic contrast to the open, green parkland and the Harbor, it will catch the attention of anyone who views it. Because the parkland and the water are undeveloped and relatively flat and open, the Ship would be a dominating element of views for a mile or more in all directions. The Project seeks this site for the Ship in part because of its high visibility and contrast to its surroundings. Such a location would greatly assist the marketing of the Ship. The proposed location is a significant part of the Project’s marketing plan. Placing such a high visibility manmade structure in the

midst of scenic parkland and water, however, does not maintain vistas and site lines of the Lake. It changes them fundamentally. Now the peninsula is virtually all open parkland and greenspace with almost no manmade structures. See the description of the site above. The few structures are small and have a low profile. Panoramic views of the parkland and of the Lake can be seen from hundreds of acres of land both below the bluffs to the west of Lincoln Memorial Drive and from the parks, streets and apartment buildings and houses on the bluff. The parkland is the foreground of views of the City from the water. Location of the Ship at the proposed location will interrupt all of these panoramic vistas. They will no longer be panoramic. The Project will not maintain vistas and site lines of the Lake. Lights on the ship will also alter night views.

Goal: Discourage large surface parking lots.

The Project will generate traffic that will use existing surface parking lots and will require additional parking especially near the berthing site. See the description of parking at pps. 8-9 and the discussion of the impact of the development on parking needs at pps. 18-19. Because of the land near the site is open parkland with few structures, multistory above ground parking structures are not an appropriate alternative for adding parking.

Goal: Maintain high quality grounds maintenance and encourage high quality landscaping.

The Project has not submitted a site plan or a landscaping plan. The Project has included photographs showing the landscaping at other ship museums.

Goal: Encourage preservation and creation of natural areas.

This Project does not propose to create any natural areas. The berthing site would become a manmade environment and will no longer be available to become part of a natural area. Over time, the Project may require the destruction of natural areas to provide parking, access or other support services.

Goal: Encourage practices that promote clean water.

Dredging and disposal of dredging spoils may adversely affect water quality in the short term, and deterioration of the ship's surface material has the potential to affect water quality in the future. Because this project is in the early stages of development the Project has not done the studies necessary to determine whether there are adverse water quality effects that cannot be avoided. The Ship and the breakwater that may be needed to protect it may alter currents and water flow in a manner that will adversely affect water quality. Again, no studies have been done. Plans for disposing of sewerage do not appear to have adverse water quality effects as long as the proposed systems are well maintained. Surface water run off from the ship's deck and any new pavement that may be required by the Project (note that the ship's deck itself is over an acre of new, impermeable surface) will have adverse consequences, unless storm water management elements are specifically addressed.

Goal: Discourage air pollution.

The Project proposes using diesel fuel the burning of which may have adverse air quality effects. Measures to avoid these effects may be available. The increase in vehicle traffic generated by the Project will increase air pollution. If the Project receives the visitors necessary to meet its business projections, either additional parking will be needed or some sort of mass transit (such as a bus or shuttle) will be required, increasing air pollution.

Goal: Discourage noise pollution.

Presently the site is very quiet, especially evenings and during the night. The location of the Project on the water and the use of the Ship especially for parties, weddings, reunions, corporate events, overnights, etc. will raise noise levels in the vicinity of the berthing site and the harbor area generally. Increased noise levels may be especially noticeable during evening and overnight use of the ship. A steam generator will be operated. It may make a significant contribution to noise levels.

Goal: Discourage increased traffic congestion. What will the impact of the development be on parking needs and traffic and pedestrian flow?

Increase in parkland for parking required. The Commission concludes that the Project would require a large increase in parkland used for parking. The parking available is described in the section entitled, "Parking", at pps. 8-9. The Project's assertion that no additional parking will be required is unrealistic and not supported by the facts. At 150,000 visitors annually, the Project says it will need 153 parking spaces on weekends between May and August. This figure is not the peak parking need. It is the average need for summer weekends. Weddings, reunions, corporate events and other planned uses for the Ship may require far more than 153 parking spaces. In any event, 153 cars exceed the 108-car capacity of the nearest parking lot by 45 cars. If all 108 spaces in the lot were filled by employees, volunteers and visitors to the Ship, all other park users and all of the UWM Students who might park there would be displaced. In the summer the South Marina lot is open only to slip renters who are issued cards to obtain access. The McKinley Marina Center Section Parking lot is more than ½ mile from the proposed site. It is also leased for parking for UWM students. During the summer months more than 3/4 of its spaces are reserved for slip renters, who are issued cards to obtain access. The public section of the lot has approximately 84 spaces. This is the parking closest to the former Coast Guard station. The County has leased the station for renovation and expansion as an Indian Cultural Center. The Milwaukee Community Sailing Center lot is used by its staff and sailors and has too few spaces to accommodate the Project's need for additional parking. Parking along Lagoon Drive is limited and much of it is more than ½ mile from the berthing site. If the Project is very successful and draws more than 150,000 visitors, the parking needs would be even greater. On the other hand, lack of parking near the ship will substantially reduce the number of visitors who would make an unplanned visit to the Ship. If the Project has difficulty meeting its

goals for paying patrons, it is likely that the shortfall will be attributed in part to parking inconvenience. The solution would be to add parking near the berthing site. Shuttling possible patrons from parking lots far from the Ship is an inadequate alternative to convenient parking. Only people who have decided to visit the Ship will decide to take the shuttle to the ship. The Project does not propose the construction of an above ground or an underground parking structure. Either would add greatly to the cost of the project. An above ground parking structure would not be appropriate for the area near the berthing site. See the discussion of large surface parking lots at p. 17. The feasibility of underground parking in this area of filled lakebed is unknown.

The more successful the Project is the more it will contribute to traffic congestion. The Project will also bring increased vehicular traffic to the harbor's edge and mix vehicles with pedestrians much more frequently. See page 15 above.

Goal: Discourage litter.

The Project will sell cafeteria and gift shop items, and tickets, and distribute brochures, and other items that might become litter, but the Project will take appropriate steps to discourage litter.

Principle 4: Provide access throughout the lakefront and especially to the water's edge by all Milwaukee County residents and visitors.

Goal: How does the Project provide access to each of the following: Walkers, bikers, public transit users, persons with disabilities, persons in or on motor vehicles, persons with boats or other flotation devices, persons who need bathrooms, changing rooms, showers, lockers, persons who need to rent recreational equipment, persons who need to buy something to eat or drink, persons in casual or sport clothing, persons of all socio-economic and cultural groups and preferences, Milwaukee County residents, visitors to Milwaukee and those who travel by wing, fin, or on all four legs.

The berthing of the ship, its mooring, security and safety measures, and dedication of the site to the Project's specified uses will deprive the public of access to the water's edge for approximately 1,000 feet of lakeshore. Access to the parkland for recreation purposes will also be reduced because of the berthing and mooring site, because of increased vehicular traffic on roadways and because parking will be necessary to accommodate the Project, its employees, visitor, volunteers and suppliers. The need for parking generated by the Project will limit parking available to persons seeking access to the park for activities referred to in this goal other than touring the ship or attending one of the functions held on the ship. The Project will require relocation of approximately 1,000 feet of the pedestrian and bike way now along the water's edge away from the water's edge. The Ship will not be accessible to all socio-economic groups. With the exception of uniformed active duty servicepersons, only people who can afford to pay for admission to the Ship will have access to it. Fees range from a low of \$4.50 for a child for an unguided tour to \$10 for an adult for a guided tour. Group rates for guided tours

will be \$5 for each child and \$8 for each adult. The areas of the Ship available to the public will be limited. Lead, asbestos, PCB and other hazard containment/abatement measures will be undertaken for the public access areas only. Corporate membership will entitle the corporation to host from one to four corporate functions each year. The Ship's facilities will also be rented for birthday parties, catered events, corporate meetings, weddings, family reunions and other such events. The Ship will also host overnights for youth for a \$35 per person fee. The Ship's facilities used for these activities will be limited to those who are invited to participate in them. Access to the Ship by others when these events are held will be restricted. The Project proposes to provide elevators to accommodate access to the Ship by persons with disabilities and to provide one accessible restroom on the Ship. At the outset, access by disabled persons will be limited to exterior main deck areas, a restroom and an enclosed space just off the main deck in case of inclement weather. The lower and upper portions of the Ship will not be handicapped accessible. Handicapped persons will be offered descriptive services, electronically and textually, to allow them to view the portions of the Ship that would be unsafe for their passage. The Ship will have a cafeteria. Corporate gatherings, reunions, weddings, parties and other events requiring more extensive food service will be catered. These services will not be available to the general public but only to those who pay admission to the Ship or are invited to events. Changing rooms, showers and lockers will be available on the Ship, but not for public use. They will be available to the groups that arrange and pay for an overnight stay on the Ship.

Principle 5: recognize the unique opportunities of different parts of the lakefront and allow only projects that must be at the lakefront.

Goal: Budget the allocation of lakefront lands carefully because there is only a fixed amount of it. Criteria: How much land is required? How much shoreline? What is there now?

The site is described completely in previous sections of this report. It is the harbor and adjacent parkland, including the harborside promenade. As has been discussed elsewhere in this report, the Project requires about one acre of land and will directly impact approximately 1,000 feet of shoreline. In addition, as has also been discussed elsewhere in this report, because of the Project's scale and projections for patronage, it will have a major impact on the intensity and nature of the use of the harbor and parkland. The Project's impacts will significantly limit the capacity for other projects to be located in the area.

Goal: Preserve our Lake Michigan heritage and leave a legacy for the future. Criteria: How does the proposal convey our Great Lakes history? How does the proposal serve future generations?

Because warships are prohibited by treaty from the Great Lakes, neither the USS Des Moines nor any other Naval ships have been a part of our Great Lakes history. Because the Project would serve as a veteran's memorial it would leave a legacy for the future and educate future generations about immediate post world war two naval ships

and their contribution to national defense especially around the world. The use of the Ship for weddings, birthday parties, reunions, corporate events, veteran's meetings, etc. will not preserve our Lake Michigan heritage or leave a legacy for the future.

Goal: Preserve the traditional open space and recreational role of parkland.

Criterion: Will the project protect low-intensity areas from overuse?

The Project would not be a traditional open space or recreational use of the harbor and parkland. The Project will dramatically intensify the use of the proposed site, now a low-intensity use area. As a consequence of displacing a low-intensity use area, the Project will contribute to intensifying the use of areas farther from the proposed project site.

Goal: Direct more intensive facilities to parts of the lakefront that are already developed such as Municipal Pier and the Maier festival grounds. Criterion: What is the land used for now?

The Project is a very intensive facility. The land is now used as parkland. As has been discussed in the section of this report on lakefront plans, laws and regulations, intensive facilities, to the extent they may be permitted, should be located in areas other than the Veterans Park/ McKinley Park parklands.

Goal: Only approve developments at the lakefront that must be at the lakefront to achieve their purpose. Criterion: Could the project be located elsewhere? Why must the project be located at the Lakefront?

Many of the Project's purposes could be achieved at a location away from the lakefront. One purpose of the Project is as a memorial to veterans, especially those who served in the Navy. As testimony at the public hearing disclosed, a memorial to veterans, including Naval veterans, may take many forms other than berthing the USS Des Moines on the lakefront. Certainly, facilities for weddings, reunions, birthday parties, corporate events, meetings of veterans groups, youth overnights, etc. can be and are located elsewhere than on the lakefront. At the same time, the Commission recognizes that practically speaking, if a ship the size of the USS Des Moines is to be a memorial in Milwaukee County, it can only be berthed along Lake Michigan or one of the rivers that flow into it. The Commission has been asked for its recommendation respecting berthing the Ship at the particular site currently being proposed by the Project. The Project takes the position the site they propose is the only possible site for the Ship. For all the reasons in this report, the proposed site is not an appropriate site. The Commission is uncertain that the proposed site is the only possible site. While the landowners may not be willing to make another site available, other sites may in fact be possible for berthing the USS Des Moines. The Commission has the obligation to apply the criteria and make its recommendation with respect to any other berthing site within the Commission's jurisdiction the Project might propose.

Goal: Preserve and promote space for temporary uses. Criteria: How long will the use be in place? What impact will the project have on the availability for temporary uses?

The Project would be permanent. The Project proposes a 99-year lease. As has been discussed elsewhere in this report, the Project will have a direct impact on the area where Maritime Days, an annual temporary festival, was held for many years. The impact of the Project on traffic and the availability of parking will restrict the capacity for temporary uses.

Goal: Any buildings or structures should be evaluated with the long view in mind. Criterion: What happens when the current proposed water-related activity ends?

The Project proposes that as one of the conditions of a lease from the County it will raise funds and hold them in escrow to pay for return of the Ship to the Navy. The Project proposes a fund of \$2,788,000 to remove the Ship at no cost to the federal government. Because the amount of this fund was calculated to cover federal costs only, it will be inadequate to meet local costs of removal of the Ship and restoration of the site. The Project has also indicated that the reserved funds would be used to remove the ship at no cost to the City, the County or the State government as well as the federal government, but has not increased the fund accordingly. Interest on the fund will be used for the Project's operations. While the costs of removal and site restoration may increase over the years, the Project does not propose to increase the Return Fund. In addition to removing the ship and returning it to the Navy, if the Project ends, the two elevator/stairway buildings, the 12, 250 ton mooring bitts, the propeller display and the steam generator, if either is on the site, and any other structures or mooring devices will need to be removed. In order to restore the site to its present condition the promenade would need to be restored to harborside. If a wave protector breakwater is built, its removal should be provided for. How a decision will be made that the Ship will be removed and the site restored is not clear. Reaching a decision to declare that an activity is at an end and the structures removed can be very difficult, as is illustrated by several decades of experience with the Coast Guard station after it was no longer needed for its water related purpose.

Criterion: What happens when this or nearby facilities need to expand?

The Project's proponents submitted information about ship museums that have several ships and ship museums that are located adjacent to onshore museum buildings. While future expansion to include additional ships and/or displays of military tanks, airplanes or other similar military hardware might be desirable or necessary to sustain interest in and generate additional revenue for the Project, the proposed parkland/harbor site is not appropriate for expansion. The reasons for recommending against this Project apply also to any expansion of it. The Project does not propose expansion at the proposed site. Inability to expand may adversely impact the Project's long-term viability. Also, the Project's success will reduce the parking, the capacity for increased traffic and the other resources that may be necessary for expansion of other activities that are water-related.

Criterion: How well will this proposal serve the vision for Milwaukee's lakefront when another facility is proposed nearby?

The Project is a major project. If it succeeds, it would contribute significantly to the density of development of the lakefront and the harbor. Because there is only a fixed amount of lakefront land, approval of another facility proposed nearby will be more difficult. Also, the Project would change the character of the parklands and harbor by introducing a large manmade structure and a tourist attraction. New projects would be restricted to those that are compatible with use of the area for such purposes. The vision of the proposed berthing area as one of scenic and natural beauty would be materially altered.

Criterion: Does the proposal have a viable business plan?

While the Commission acknowledges the fundraising and revenue and expense goals the Project has set for itself, the Commission must consider the effects if they are not met. Unfortunately, many ship museums have expenses that exceed operating revenues. The viability of the Project's business plan is significant to the lakefront because experience shows that organizations frequently defer maintenance when revenues are not adequate to fulfill all obligations. Also the community is faced with whether to provide grants or subsidies to the project in order to avoid or postpone a decision to end the project. Recent examples referred to at the public hearing included the financial struggles of Friends of Boerner Botanical Gardens. Frequently expansion of the project to increase revenues is brought forth as the way to achieve viability. Furthermore, the lakefront site cannot be used for other purposes while a project struggles.

The Commission has serious doubts about the viability of the Project's business plan. It is not the function of the Commission to determine whether the Project is an appropriate veterans memorial. Strong public expression of opposition to the Project, however, raises serious concerns about whether the business plan is viable. Whether or not reasons for opposing the Project are sound, opposition will negatively affect the capacity of the Project to raise funds and to generate revenues to sustain operations over the coming decades.

As the report of Scribner Cohen and Company, certified public accountants, provided to the Commission by the Save Our Lakefront Coalition indicates, the business plan underestimates significant costs of operation. For example, the business plan does not appear to account for employee benefits such as health insurance and retirement expenses, or for legal, accounting and audit services. The plan accounts for revenue from overnight visits, but not for their costs. Other costs may be understated. The Project projects utilities and fuel costs of \$16,000 for 2008, while the USS Salem, a comparable ship museum, and the sister ship of the USS Des Moines docked near Boston, reported

fuel and utilities costing \$61,403 in 2003. Revenue projections also do not appear to be realistic especially when considered in light of the experience of other Naval Ship Museums. Admission revenue estimates in the USS Des Moines business plan are many times the actual revenue at similar existing museums. For example, in 2003 the USS Salem reported \$19,326 in revenue. The USS Des Moines projects 50 times more revenue, \$994,200, when it would be fully operational in 2008. Another ship museum on the Great Lakes, the Buffalo and Erie County Naval & Military Park, has several ships including a light cruiser, a destroyer, a submarine and a fast patrol boat. It reported 2003 revenue of \$129,357. The USS Des Moines projects seven times the Buffalo museum's revenue for 2008. The Commission is also concerned that attendance projections are not realistic. The business plan projects paid attendance just under 150,000 by 2009. This is three times the 2003 attendance at the Buffalo Military Park, 49,179.

The Commission is also concerned about long-term reliance on donations. The business plan relies heavily on substantial grants/donations and corporate memberships. An analysis for 2008, referred to as a "Break-Even" analysis, includes \$250,000 in grants and donations and \$272,250 in corporate memberships. Taken together these revenues would be more than 2/3 of projected total revenues of \$760,749. If attendance reaches approximately 130,000 in 2008, the plan projects total revenue of \$1,839,449. Even with that attendance, grants/donations and corporate memberships would be more than 1/4 of total revenue. The Project business plan indicates that in 2008 the Project would have no expenditures for fundraising personnel. Obtaining grants and donations every year will be very difficult. It is not realistic to assume no expenditures for fundraising personnel.

Because the Project has not been in the business of being a venue for weddings, parties, meetings and events, the Project's ability to compete with other businesses for customers is unknown.

Among the goals is to fund the Project without Milwaukee City or County funds. The Project has indicated it will accept state and federal grants, but is not counting on them. Most ship museums receive government grants, several of more than \$1,000,000 per year. The Project projects that its impact will be 19 plus million dollars on an annual basis. The Project does not explain how it arrives at this projection. In any event, such a projection has no direct bearing on the Project's revenue and expenses and their business plan. If there were facts to support it, however, a projection of the overall economic impact of the Project might possibly support an application for a government grant for the Project. The likelihood that the Project will require future government support is discussed below.

Personnel Plan inadequate. The Commission is also concerned that the staffing proposed by the Project will be inadequate to handle the administrative functions, sales and marketing, fundraising, visitor check-in, tours, information, cafeteria, security, maintenance, repair and other activities essential to the project's success.

The Project's business plan indicates a total of twenty people to handle all these functions. The annual cost of all personnel is \$560,000 in 2007 and \$745,000 in 2008.

During 2004 through 2006 the Project will rely almost entirely on volunteers. Six personnel including the chief engineer are responsible for the maintenance, repair and cleaning of the 715 foot ship and other shore facilities. Experienced US Navy personnel indicate that the painting and maintenance of this size ship is impossible with so small a number of people.

It is also important to recognize that the plan states that the ship will be open 7 days per week, 365 days per year from 8 to 12 hours per day. This is equivalent to about 60 hours per week. This means fewer than 20 people will be available each day assuming the personnel work a normal forty-hour week.

Two security guards will be responsible for patrolling the entire ship 365 days per year.

These examples cause the commissioners to question the viability of the overall business plan, recognizing that personnel costs will be a critical and increasingly important element if the Project is to achieve its projected goal of at least 150,000 visitors annually. Personnel are critical to maintain the condition of the ship and service the projected visitors.

The Business plan also relies heavily on volunteers to do the work of the Project. The soundness of assuming that large numbers of volunteers can be recruited and trained over the coming decades is questionable. As the number of people who experienced service on the USS Des Moines or served in the Navy during the time the Ship was in service declines, recruiting volunteers will become more difficult. Functions performed by volunteers will need to be performed by paid staff at additional cost to the Project.

Criterion: Does the sponsoring organization have adequate resources?

The sponsoring organization had total assets of \$37,240 on Dec. 31, 2004. Of this amount \$9,406 was printing and clothing inventory. The Project reports that it has raised approximately \$100,000 since it was formed. The Project's capacity to raise the more than \$18,000,000 needed to bring the ship to Milwaukee and berth it at the proposed site is untested. The capacity of the Project to continue to obtain government and private grants and donations to sustain the project is unknown and untested. See the discussion of the proposed business plan above.

Criterion: Will the project require future public investment?

The likelihood that the Project will require future public investment, both for the initial costs of bringing the ship to the site and preparing the site, and for annual operations is very high. See the discussion above of the viability of the Project's business plan.

Goal: Assure that new facilities complement existing facilities. Criterion: Does the proposal complement existing facilities?

As the discussion elsewhere in this report indicates the proposed facilities will stand in sharp contrast to the existing facilities near the site. It will not complement them.

CONCLUSION

The Lakefront Development Advisory Commission recommends against approval of the proposal for berthing the USS Des Moines.

Respectfully submitted on behalf of LDAC,

William H. Lynch
Chairman

WHL/whl

February 24, 2005